

## Message Text

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ORIGIN ARA-10

INFO OCT-01 EA-07 ISO-00 L-03 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 PA-01 PRS-01 EUR-12 OES-06 /108 R

DRAFTED BY ARA/AND/P:ASCFULLER:MG

APPROVED BY ARA/AND/P:ASCFULLER

EA/J:SECTON (INFO)

L/EUR:DGANTZ (INFO)

S/P:LENAUDI (INFO)

TRES:FMARESCA (INFO)

EX/IM:TKINGSLEY

----- 125554

P R 040038Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY LIMA PRIORITY

INFO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EFIN, PE, JA

SUBJECT: BALPA FINANCING FINALLY SECURED

REF: (A) STATE 289756; (B) STATE 283920

1. AT 12:15, FRIDAY, DECEMBER 3 - AFTER DELICATELY KEEPING THE BANKERS WAITING FOR AN HOUR - FINANCE MINISTER BARUA AND CENTRAL BANK PRESIDENT SANTISTEVAN SIGNED THE LONG-DELAYED BALANCE-OF-PAYMENTS LOAN AGREEMENT WITH THE US BANK SYNDICATE. THE SETTING WAS NEW YORK'S APPROPRIATELY OPULENT HOTEL PIERRE.

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2. ACCORDING TO A CHASE BANK WITNESS (REUTERSHAN), THE TERMS WERE AS PREVIOUSLY DESCRIBED - DOLLARS 210 MILLION, IN TWO EQUAL TRANCHES, WITH THE SECOND TO BE DISBURSED AS REPORTED REFTTEL; FOR FIVE YEARS, INCLUDING ONE YEAR'S GRACE; AT 2.25 PERCENT ABOVE LIBOR, WITH A 1.5 PERCENT FRONT-END FEE.

3. EARLIER, GOP SIGNED AGREEMENTS WITH CANADIANS FOR DOLLARS 30 MILLION AND WITH EUROPEANS (CREDIT LYONNAISE, LLOYD'S, DRESDEN, ET AL.) FOR DOLLARS 90 MILLION. TERMS SAME AS IN US FINANCING. TENTATIVE AGREEMENT REACHED WITH SWISS BANKS TO LEND AN ADDITIONAL DOLLARS 60 MILLION.

4. JAPANESE LOAN OF DOLLARS 40 MILLION STILL UP IN AIR. ACCORDING TO JAPANESE EMBASSY DC SOURCE, LEAD BANK IN JAPANESE SYNDICATE, BANK OF TOKYO, FAVORS EXTENSION OF CREDIT BUT OTHER BANKS OPPOSED. LATTER JAUNDICED AGAINST "SOCIALIST", "PRO-USSR, PRO-CUBA" COUNTRY WHICH NATIONALIZED IMASU FISHERIES IN PERU AND WON'T ALLOW EARLY REMITTANCE OF COMPLETE COMPENSATION. KONDO, LA DIVISION CHIEF, JAPANESE FOREIGN MINISTRY, SOON TO VISIT LIMA TO ATTEMPT TO DEVELOP INFORMATION WHICH MIGHT BE USEFUL IN SWINGING RECALCITRANT BANKS AROUND (MEMCON BEING POUCHED). KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BALANCE OF PAYMENTS, FINANCIAL AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** ASCFULLER:MG  
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**Errors:** N/A  
**Film Number:** D760448-0860  
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**Handling Restrictions:** n/a  
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**Original Handling Restrictions:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BALPA FINANCING FINALLY SECURED  
**TAGS:** EFIN, PE, JA  
**To:** LIMA  
**Type:** TE  
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